

NEWS RELEASE
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FOR IMMEDIATE RELEASE

SCAM ALERT

You Did Not Win the Canadian Lottery

(Phoenix, AZ—June 4, 2003) Arizona Attorney General Terry Goddard is warning Arizonans to be wary of a scam known as “the Canadian Lottery” that is particularly affecting the elder community.

Fraudulent telemarketers are calling unsuspecting Americans, including Arizona consumers, telling them that they have won a prize in the Canadian Lottery. Usually these calls are made from the Canadian cities of Montreal, Toronto and Vancouver, but have also originated in New York state, near the Canadian border.

Although there is a legitimate lottery in Canada, it works similar to lotteries in the United States, with individual provinces selling their own tickets. The “Canadian Lottery” is a scheme that is being used to fleece consumers in the United States. The Federal Bureau of Investigations recently estimated that \$80 million to \$100 million dollars are stolen by criminals using this scam.

“Unfortunately, senior citizens are being preyed upon by these unscrupulous and illegal telemarketers,” said Goddard. “The monetary loss has been substantial. For example, an 83 year-old woman in Phoenix lost \$100,000, and that was only one of the cases that we have investigated.”

There are two common variations of this scheme. In one a man who claims to be a lawyer from a prestigious law firm in Canada calls to inform you that the Canadian courts have been ordered to distribute millions of dollars from illegal telemarketers to American consumers who have played the Canadian lottery. You just need to send a processing fee, or legal fee, before you can be paid. The caller then will say that the judge has a gag order on this case and if you tell anyone, you will not receive the money.

In the second version someone calls to say that you have won a case prize and then the caller lets another person, someone who claims to be a lawyer or a Canadian customs official, on the phone to explain how you have won the money in a special lottery. All that you have to do is send a cashier's check to pay for Canadian customs. The caller will warn you if your banker asks why you need the money, tell them it is for personal business.

Usually the callers are relentless. They will call and be friendly, call the person by their first name and ask for the person to do the same. They will continue to call until the person sends the money.

This is how the legitimate lottery in Canada works. Each Canadian province has its own lottery. Tickets similar to the ones used in the Arizona lottery are sold. Most importantly, you CANNOT win without buying a ticket. Canadian Officials do not contact winners and you NEVER have to send CASH to anyone to redeem a prize, even if they say it is an emergency.

Here are some red flags to look for:

- Unsolicited calls asking if you would like to be in a "Lottery pool."
- Mail notifying you that you have already won a substantial sum of money.
- Any request for you to send cash to redeem your prize.
- The caller telling you that you must keep your winnings a secret to avoid tax consequences.

"It is always better to err on the side of caution," said Goddard. "Time spent on researching could make all the difference between a legitimate and a fraudulent claim."

If you suspect a scam, please get as much information as possible from the caller, including a call back telephone number, and call the Attorney General's Elder Affairs Program at (602) 542-2124.